

Issuer of this TMD: OnePath Custodians Pty Limited (OPC)
ABN: 12 008 508 496
Date TMD is effective: 5 October 2021
TMD version: 1

TARGET MARKET DETERMINATION FOR ONECARE SUPER

About this document

This document is a Target Market Determination (TMD). It sets out the target market for the OneCare Super product. This TMD also sets out how the product is distributed, review periods and triggers relating to the TMD, and reporting on and monitoring of the TMD. It forms part of OPC's design and distribution framework and is required under section 994B of the Corporations Act 2001 (Cth).

This TMD has been prepared to give consumers and distributors an understanding of the target market for OneCare Super, based on consumer objectives, financial situation and needs.

This document is not a Product Disclosure Statement (PDS) and does not set out all the features or terms of the product. This document does not take into account any person's individual objectives, financial situation or needs. Persons interested in acquiring this product should carefully read the PDS for OneCare and OneCare Super before making a decision to apply for this product. The PDS can be found at onepathinsurance.com.au.

Consumers may want to consider obtaining personal financial advice to ensure the cover they select is tailored to their personal needs, objectives and financial situation. At a minimum however, consumers must obtain personal or general financial advice in relation to any cover obtained through OneCare Super.

The issuer of OneCare Super is OPC. OPC is a company within the IOOF Group of companies, comprising IOOF Holdings Limited ABN 49 100 103 722 and its related bodies corporate. Insurance in the OneCare Super product is underwritten by OnePath Life Limited (OPL). OPL is a company in the Zurich Financial Services Australia Group. OPC and OPL are not related bodies corporate.

This document has 4 key sections:

- **Section 1:** The Target Market
 - **Section 2:** The Product and Key attributes for each type of insurance cover available through the OneCare Super product
 - **Section 3:** Conditions and restrictions on distribution
 - **Section 4:** OPC's TMD review process
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Section 1: Target Market

The target market for OneCare Super is based on the four types of insurance cover that are available through the product. The target market for the OneCare Super product is:

- **Life Cover** – any person who has or expects to have dependants and has or expects to have outstanding financial commitments that will not be met in the event of their death or terminal illness diagnosis;
- **Total and Permanent Disability (TPD) Cover** – any person who has or expects to have outstanding financial commitments that will not be met in the event of their total and permanent disability;
- **Income Protection (IP)** – any person who has or expects to have outstanding financial commitments that will not be met in the event they suffer an illness or injury which prevents them from earning income;
- **Extra Care Cover** – any person who has or expects to have dependants and has or expects to have outstanding financial commitments that will not be met in the event of their accidental death or terminal illness diagnosis.

Additionally, the below requirements apply to all the above cover types. Persons within the OneCare Super target market must:

- want to obtain insurance cover in the superannuation environment;
- have capacity to pay premiums on an ongoing basis; and
- have received personal or general financial advice in relation to their insurance cover.

Section 2: Product and Key attributes – Life Cover

Life Cover is designed for consumers with the needs and objectives set out below. It pays either (but not both):

- a lump sum benefit if the life insured dies
- an early payment of the lump sum benefit in the case of terminal illness diagnosis, to help the life insured get their financial affairs in order.

Needs and objectives

Life Cover is designed to provide financial protection for a personal consumer who has or expects to have dependants and wants to continue providing financial support for their dependants in the event of death or terminal illness diagnosis.

Broadly, the target market is consumers who have or expect to have dependants, who have or expect to have outstanding financial commitments that will not be met in the event of their death or terminal illness diagnosis and who have capacity to pay premiums on an ongoing basis. As the product pays a lump sum on death or terminal illness diagnosis it is likely to meet the needs, or go towards meeting the needs, of consumers in the target market.

Eligibility requirements

When applying for Life Cover, consumers must satisfy **all** of the following:

- are aged between 15 and 74
- are in Australia
- have Australian residency or are in the process of applying for permanent Australian residency.

Life Cover is subject to OPL's assessment of health, occupation, and pastimes:

- consumers with pre-existing health conditions may not be eligible for cover
- not all occupations are eligible for cover
- consumers who participate in high-risk pastimes may not be eligible for cover.

Consumers who apply for this product are comfortable to provide OPL with information about their health, financial situation, lifestyle, and pastimes for OPL's assessment and they understand that the outcome of the assessment may be that they are not eligible for cover.

Financial capacity

Life Cover is designed for consumers who can pay insurance premiums by way of personal contributions, spouse contributions, employer contributions or by rollover from another superannuation fund over the timeframe identified for financial protection. This is important for two reasons:

- the cost of cover will generally increase over time;
- cover will be cancelled, and the life insured won't be covered, if premiums are not paid.

Appropriate consumers for Life Cover will meet the following criteria:

- can pay insurance premiums funded by personal contributions, spouse contributions, employer contributions or by rollover from another superannuation fund.

Key exclusions

The following events are not covered under Life Cover:

- death caused by suicide in the first 13 months of any cover or any reinstated cover commencing. This also applies to any increases in cover (excluding indexation increases) after the cover starts and any cover bought back under buy-back options.
- for the Extended Terminal Medical Condition Benefit, terminal illness if the illness or injury is caused or arises, directly or indirectly, from the life insured's intentional self-inflicted act.

Life Cover may be subject to additional exclusions, based on OPL's assessment of an application.

Section 2: Product and Key attributes – TPD Cover

Total and Permanent Disability (TPD) Cover is designed for consumers with the needs and objectives set out below. It pays a lump sum if the life insured suffers a permanent disability that meets the selected or allocated TPD definition. A life insured's TPD Cover can be supplemented with cover outside of superannuation.

There are four definitions of TPD available, as follows:

- Any occupation TPD
- SuperLink TPD
- Home-maker TPD
- Non-working TPD.

Needs and objectives

TPD Cover is designed to provide financial protection for a personal consumer who has one or more of the following objectives and needs:

- to cover existing or future outstanding financial commitments that will not be satisfied by any other insurance, or superannuation benefits, in the event they become totally and permanently disabled. The financial commitments may include (but are not limited to) mortgage and other debt-servicing costs, home modifications and mobility aids.
- to fund an income gap in the event of paid work changing or ceasing as a result of TPD.

The four definitions of TPD are designed for the needs of different consumers, as follows:

- 'Any occupation TPD' is a broad definition, designed for consumers in most occupations. It allows for TPD assessment against any occupation to which the life insured is suited by education, training, or experience.
- 'SuperLink TPD' provides 'Any occupation TPD' funded by and owned in OneCare Super which can be linked to 'Own occupation TPD' held outside superannuation. Own occupation TPD does not form part of the life insured's TPD cover within OneCare Super.
- 'Home-maker TPD' is designed for consumers who describe their main occupation as maintaining the family home.
- 'Non-working TPD' provides a base level of TPD Cover, which pays for very severe illness or injury based on permanent day-to-day living functional impairment criteria. It is designed for consumers who meet one or more of the following criteria:
 - are unable to obtain more comprehensive cover due to health, occupation or pastimes
 - elect to take a limited level of cover as a way of putting some low-cost cover in place
 - wish to top-up existing cover.

Broadly, the target market is consumers who have or expect to have outstanding financial commitments that will not be met in the event of their total and permanent disability and who have capacity to pay premiums on an ongoing basis. As the product pays a lump sum on total and permanent disability it is likely to meet the needs, or go towards meeting the needs, of consumers in the target market.

Eligibility requirements

When applying for TPD Cover, consumers must satisfy **all** of the following:

- are aged between 15 and 74
- are in Australia
- have Australian residency or are in the process of applying for permanent Australian residency.

TPD Cover is subject to OPL's assessment of health, financial information, occupation, and pastimes:

- the 'Any occupation TPD' definition is only available to consumers who are gainfully employed for a minimum of 15 hours per week
- not all occupations have a choice of definitions
- not all occupations are eligible for cover
- consumers with pre-existing health conditions may not be eligible for cover
- consumers who participate in high-risk pastimes may not be eligible for cover.

Consumers who apply for this product are comfortable to provide OPL with information about their health, financial situation, lifestyle, and pastimes for OPL's assessment and they understand that the outcome of the assessment may be that they are not eligible for cover.

Financial capacity

TPD Cover is designed for consumers who can pay insurance premiums funded by personal contributions, spouse contributions, employer contributions or by rollover from another superannuation fund over the timeframe identified for financial protection. This is important for two reasons:

- the cost of cover will generally increase over time
- cover will be cancelled, and the life insured won't be covered, if premiums are not paid.

Appropriate consumers for TPD Cover will meet the following criteria:

- can pay insurance premiums funded by personal contributions, spouse contributions, employer contributions or by rollover from another superannuation fund.

Key exclusions

The following events are not covered under TPD Cover:

- an intentional self-inflicted act
- for the Limited Death benefit, if as a result of the life insured's self-inflicted act, the life insured dies during the first 13 months from the Cover start date for TPD Cover.

TPD Cover may be subject to additional exclusions, based on OPL's assessment of an application.

Section 2: Product and Key attributes – Income Protection

Income Protection (IP) is designed for consumers with the needs and objectives set out below. It provides a monthly benefit if the life insured is unable to work solely due to an illness or injury that causes ongoing restricted capacity for longer than the waiting period. Income Protection replaces some lost income, so that the life insured can concentrate on recovery without having to worry about how to cover ongoing expenses.

Needs and objectives

Income Protection is designed to provide financial protection for a consumer who has (or envisages that in future they will or may have) regular and ongoing financial commitments that will not be met in the event of a temporary or long-term disability which prevents them from earning income. The product offers a replacement income solution which can be tailored to consumer needs. Consumers can select an appropriate waiting period and benefit period, depending on the expected cash-flow impact of a temporary or long-term disability. This would also depend on accumulated savings, any other income replacement insurance, and sick leave.

Extra-cost options may be selected to tailor cover, based on needs, cash-flow, willingness to self-insure and affordability.

Broadly, the target market is consumers who have or expect to have outstanding financial commitments that will not be met in the event they suffer an illness or injury which prevents them from earning income and who have capacity to pay premiums on an ongoing basis. As the product pays a regular income benefit it is likely to meet the needs, or go towards meeting the needs, of consumers in the target market.

Eligibility requirements

When applying for Income Protection, consumers must satisfy **all** of the following:

- are aged between 19 and 60
- are in gainful employment for a minimum of 20 hours per week (24 hours for fixed term contractors and casual workers)
- are in Australia
- have Australian residency or are in the process of applying for permanent Australian residency.

Income Protection is subject to OPL's assessment of health, financial information, occupation, and pastimes:

- not all occupations are eligible for cover
- consumers with pre-existing health conditions may not be eligible for cover
- consumers who participate in high-risk pastimes may not be eligible for cover.

Consumers who apply for this product are comfortable to provide OPL with information about their health, financial situation, lifestyle, and pastimes for OPL's assessment and they understand that the outcome of the assessment may be that they are not eligible for cover.

Financial capacity

Income Protection is designed for consumers who can pay insurance premiums funded by personal contributions, spouse contributions, employer contributions or by rollover from another superannuation fund over the timeframe identified for financial protection. This is important for two reasons:

- the cost of cover will generally increase over time
- cover will be cancelled, and the life insured won't be covered, if premiums are not paid.

Appropriate consumers for Income Protection will meet the following criteria:

- can pay insurance premiums funded by personal contributions, spouse contributions, employer contributions or by rollover from another superannuation fund.

Key exclusions

OPL cannot reimburse any expenses which:

- the law does not permit OPL to reimburse
- are regulated by the National Health Act 1953 (Cth) or the Private Health Insurance Act 2007 (Cth).

No benefits will be paid for illness or injury occurring as a direct or indirect result of any of the following:

- an intentional self-inflicted act
- the life insured's uncomplicated pregnancy, miscarriage or childbirth. However OPL will pay benefits if the life insured is Totally Disabled for more than three months from the date pregnancy ends, and continues to be Totally Disabled
- illicit drug use
- anything happening to the life insured in war. This exclusion does not apply to any benefit paid on death
- participation in criminal activity (and during incarceration due to participation in criminal activity)
- a cause other than illness or injury. For example, loss of a professional qualification; or
- if the life insured is unemployed when the illness or injury occurs, unless the life insured is unemployed because of an illness or injury for which they are on claim. However, the life insured will receive complimentary Income Protection cover outside superannuation to cover them if they are in this situation.

Income Protection may be subject to additional exclusions, based on OPL's assessment of an application.

Section 2: Product and Key attributes – Extra Care Cover

Extra Care Cover is designed for consumers with the needs and objectives set out below. It provides a way of topping-up OneCare Super cover with individual elements of Accidental Death Cover or Terminal Illness Cover.

Needs and objectives

Extra Care Cover is designed to complement other OneCare Super cover and provide additional financial protection for consumers with the following objectives and needs:

- **Extra Care Accidental Death Benefit** is designed for a consumer who has or expects to have dependants and wants to continue providing financial support for the dependants in the event of accidental death.
- **Extra Care Terminal Illness Benefit** is designed for a consumer who has or expects to have dependants and wants to continue providing financial support for the dependants in the event of terminal illness diagnosis.

Broadly, the target market is consumers who have or expect to have dependants, who have or expect to have outstanding financial commitments that will not be met in the event of their accidental death or terminal illness diagnosis, and who have capacity to pay premiums on an ongoing basis. As the product pays a lump sum on accidental death or terminal illness, it is likely to meet the needs, or go towards meeting the needs, of consumers in the target market.

Eligibility requirements

When applying for Extra Care Cover, consumers must satisfy **all** of the following:

- are aged between 15 and 60
- are applying for, or already holding, other OneCare Super cover under the same policy
- are in Australia
- have Australian residency or are in the process of applying for permanent Australian residency.

Extra Care Cover is also subject to OPL's assessment of health and pastimes, and consumers with pre-existing health conditions or who participate in high-risk occupations may not be eligible for cover.

Consumers who apply for this product are comfortable to provide OPL with information about their health, financial situation, lifestyle, and pastimes for OPL's assessment and they understand that the outcome of the assessment may be that they are not eligible for cover.

Financial capacity

Extra Care Cover is designed for consumers who can pay insurance premiums funded by personal contributions, spouse contributions, employer contributions or by rollover from another superannuation fund over the timeframe identified for financial protection. This is important for two reasons:

- the cost of cover will generally increase over time
- cover will be cancelled, and the life insured won't be covered, if premiums are not paid.

Appropriate consumers for Extra Care Cover will meet the following criteria:

- can pay insurance premiums funded by personal contributions, spouse contributions, employer contributions or by rollover from another superannuation fund.

Key exclusions

An Extra Care Accidental Death Benefit will not be paid if, as a result of the life insured's intentional self-inflicted act, they die during the first 13 months of any cover or any reinstated cover commencing. This also applies to any increases in cover (excluding indexation increases) after the cover starts.

Extra Care Cover may be subject to additional exclusions, based on OPL's assessment of an application.

Section 3: Conditions and restrictions on distribution

In light of the obligations under Part 7.8A of the Corporations Act (product design and distribution obligations), an application for OneCare Super for any of the types of insurance cover available through the product must be submitted by a Distributor who is operating under an Australian Financial Services Licence with appropriate authorisations. The Distributor may only submit applications for consumers who satisfy **all** of the following:

- have received a current OneCare and OneCare Super PDS
- have been given personal or general financial advice
- are in Australia
- have Australian residency or are in the process of applying for permanent Australian residency.

The Distributor should not sell this product to a consumer who is unlikely to ever be eligible to claim the benefits under the policy.

The distribution conditions for OneCare Super are appropriate and will assist in distribution being directed towards the target market.

Personal advice

Consumers that obtain personal advice are more likely to be in the target market for OneCare Super because advisers have a duty to comply with the statutory 'best interests duty' when providing personal advice.

The Distributor is expected to take into account any relevant information obtained about the consumer's financial situation, to ensure that OneCare Super is sold in accordance with this TMD. Relevant information could include (but is not limited to):

- dependants
- employment and income
- other insurance
- debts.

General advice

Consumers that obtain general advice are more likely to be in the target market for OneCare Super if Distributors distribute the product in alignment with the issuer's distribution conditions relating to the relevant distribution channel, ie.

- the consumer has been provided with general advice in relation to this product
- this product is only distributed to consumers who have completed their own research, know what type of insurance they want and seek help with the application process.

Section 4: OPC's TMD review process

Review triggers

The following events and circumstances (review triggers) will trigger a review of this TMD as they may mean that it is no longer appropriate:

- A significant change in law that materially affects the product design or distribution of the product or class of products that includes this product. This triggers a mandatory review. A review may be undertaken even if this review trigger is not met.
- Product performance is materially inconsistent with expectations of the appropriateness of the product to consumers having regard to:
 - product claims ratio
 - the number or rate of paid, denied, and withdrawn claims
 - the number of policies sold
 - policy lapse or cancellation rates
 - percentage of applications not accepted.
- The use of Product Intervention Powers in relation to the distribution or design of the product where this reasonably suggests that the TMD is no longer appropriate.
- Significant or unexpectedly high number of complaints regarding product design, product availability, claims and distribution conditions that would reasonably suggest that the TMD is no longer appropriate.
- A significant dealing in the product outside the target market (except for an excluded dealing) has occurred.
- Changes in medical advances which impact product design or the market for the product.
- Distribution conditions set out in the TMD are otherwise no longer appropriate, such as distribution to consumers that do not meet insurance eligibility requirements.

Maximum TMD lifespan

This TMD will be **next reviewed on 5 January 2023** and at least every 3 years and 3 months after that date. Any of the above review triggers will bring forward these reviews.

Reporting period for any complaints about this product

Distributors should report complaints to OPC half-yearly (end of March and September), within 10 business days of the end of the relevant half-year.

Complaints data should include sufficient information to understand the substance of each complaint but should not include personal information.

How OPC will decide if this TMD is no longer appropriate

OPC will review the information set out below on a regular basis to ensure that the TMD is still appropriate:

- Regulation and/or ASIC/APRA instruments relating to any change in the law and interpretation.
- Expected and actual data for the following:
 - product claims ratio
 - the number or rate of paid, denied, and withdrawn claims
 - the number of policies sold
 - policy lapse or cancellation rates
 - percentage of applications not accepted.
- Any Product Intervention order.
- Complaints regarding product design, claims and distribution conditions.
- A significant dealing in the product of which OPC becomes aware is not consistent with the TMD (within 10 business days of becoming aware of the dealing).
- The insurance strategy is appropriate for the membership, and that the cost of cover does not inappropriately erode members' retirement savings.

The following information collected from Distributors will be considered as part of the review:

- Complaints regarding product design, claims and distribution conditions (within 10 business days of the end of March and September).
- A significant dealing in the product of which the Distributor becomes aware is not consistent with the TMD (within 10 business days of becoming aware of the dealing).

Submitting data to OPC

Distributors may submit data in any of the accepted formats. Refer to OPL's website for more information: onepathinsurance.com.au/tmd. OPL will receive submitted data on behalf of OPC.

This Target Market Determination (TMD) has been prepared and issued by OnePath Custodians Pty Limited (OnePath Custodians) ABN 12 008 508 496, AFSL 238346. OPC is the trustee of the Retirement Portfolio Service (ABN 61 808 189 263) (RPS) and OneCare Super is part of the RPS. For more information on OneCare Super please refer to the OneCare and OneCare Super Product Disclosure Statement, which is available free of charge at onepathinsurance.com.au or contact Customer Services.